

**Projected Reserve Balance Summary**

	<u>Reserve 2016</u>	<u>Restricted 12/31/2016</u>	<u>Reserve After Restriction 2016</u>	<u>2017 Budgeted Revenue</u>	<u>2017 Budget Exp</u>	<u>Reserve Before Restrict 12/31/2017</u>	<u>Less Restricted</u>	<u>Reserve After Restricted</u>	<u>Reserve % 2017</u>
	(A)			(B)	(C)	(A)+(B)-(C)			
Unconsolidated GF	11,559,000		11,559,000						
Bldg	2,196,000		2,196,000						
Legal Ed & Dev	7,536,000		7,536,000						
LA Facility	(5,301,000)		(5,301,000)						
Public Protection-unrestricted	1,898,000		1,898,000						
Public Protection-restricted	4,610,000	(4,610,000)	-						
Tech Improvement	3,698,000	(3,698,000)	-						
Support & Admin	(513,000)		(513,000)						
	<u>25,683,000</u>	<u>(8,308,000)</u>	<u>17,375,000</u>	<u>72,690,000</u>	<u>(75,853,000)</u>	<u>22,520,000</u>	<u>(4,610,000)</u>	<u>17,910,000</u>	<u>25.22%</u>

	<u>Reserve 2016</u>	<u>Reserve %</u>	<u>Reserve 2017</u>	<u>Reserve %</u>
Reserve Level 12/31/16 and 12/31/2017:	17,375,000	24.47%	17,910,000	25.22%
LAP Transfer \$1.6M:	(1,600,000)		(1,600,000)	
Reserve Level after LAP Transfer:	15,775,000	22.22%	16,310,000	22.97%
RIF Severance and Taxes:	(2,200,000)		(2,200,000)	
Reserve Level after LAP and RIF:	13,575,000	19.12%	14,110,000	19.87%
\$1.7M Howard Capital Improvement:	(1,700,000)		(1,700,000)	
Reserve after LAP, RIF and Capital:	<u>11,875,000</u>	<u>16.72%</u>	<u>12,410,000</u>	<u>17.48%</u>

	<u>Reserve 2016</u>	<u>Reserve Level 2016</u>	<u>RIF Costs:</u>	<u>Reserve After RIF:</u>	<u>2017 Budgeted Rev</u>	<u>2017 Budget Exp</u>	<u>2017 Reserve (After RIF)</u>	<u>Reserve % 2017</u>
				(X)	(Y)	(Z)	(X)+(Y)-(Z)	
<b>Special Revenue Fund Group:</b>								
Admissions	4,506,000	27.81%	(168,000)	4,338,000	20,960,000	(20,537,000)	4,761,000	29.39%
Annual Meeting	(55,000)	NA		(55,000)	-	-	(55,000)	
Grant	415,000	6916.67%		415,000	6,000	(6,000)	415,000	6916.67%
Sections	<u>7,558,000</u>	<u>106.45%</u>	<u>(290,000)</u>	<u>7,268,000</u>	<u>9,010,000</u>	<u>(8,609,000)</u>	<u>7,669,000</u>	<u>108.01%</u>
	<u>12,424,000</u>							
<b>Restricted Fund Group:</b>								
Legislative Activities	418,000	126.67%		418,000	102,000	(413,000)	107,000	32.42%
EOB/Bar Relations	423,000	98.37%	(41,000)	382,000	-	(317,100)	64,900	15.09%
Lawyer Assistance Program	1,177,000	96.40%	(46,000)	1,131,000	3,685,000	(1,580,000)	3,236,000	265.03%
Leg Specialization	6,161,000	133.64%		6,161,000	430,000	(5,364,000)	1,227,000	26.62%
Client Security Fund	3,098,000	227.79%	(94,000)	3,004,000	8,035,000	(7,202,000)	3,837,000	282.13%
IT Special Assessment	1,215,000	NA		1,215,000	-		1,215,000	
Legal Service Trust Fund	8,202,000	585.86%	(81,000)	8,121,000	12,450,000	(15,041,000)	5,530,000	395.00%
Equal Access Fund	1,234,000	617.00%		1,234,000	19,650,000	(19,216,000)	1,668,000	834.00%
Justice Gap	1,555,000	NA		1,555,000	602,000		2,157,000	NA
Bank Settlement	<u>44,270,000</u>	<u>49188.89%</u>		<u>44,270,000</u>	<u>-</u>	<u>(5,525,000)</u>	<u>38,745,000</u>	<u>43050.00%</u>
	<u>67,753,000</u>		<u>(720,000)</u>	<u>67,491,000</u>	<u>74,930,000</u>	<u>(83,810,100)</u>	<u>70,576,900</u>	
Total Reserve	105,860,000							

# **AGENDA ITEM**

**703 JULY 2016**

**DATE:** July 21, 2016

**TO:** Members, Board of Trustees

**FROM:** Ricardo Goñi, Chair, California Board of Legal Specialization  
Gayle Murphy, Senior Director, Admissions  
Natalie Leonard, Director, Legal Specialization

**SUBJECT: RESERVE POLICY AND APPROPRIATE LEVEL OF RESERVE FOR  
LEGAL SPECIALIZATION FUND**

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## **EXECUTIVE SUMMARY**

During its January 2016 meeting, the State Bar of California's Board of Trustees adopted a new reserve policy, which requires all State Bar funds to maintain reserves at the target rate of 17 percent and a maximum fund balance of no more than 30 percent. The Legal Specialization Fund Balance is significantly over the reserve policy maximum; thus, in accordance with the policy, which states that reserve balances in excess of 30 percent must be reduced, the California Board of Legal Specialization (CBLs) approved the following recommendations for consideration by the Board of Trustees relative to spending down the reserve fund balance.

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## **BACKGROUND**

The new reserve policy adopted by the Board of Trustees states the following:

Whenever reserve levels surpass 30 percent in either the General Fund, or any fund within the Restricted or Special Revenue Program Funds, for a consecutive six month period, they are considered to be materially above the target minimum level and subject to spend-down, with the exception of Sections Funds.

Spend-down shall occur in accordance with the following principles:

1. Fund balance spend-down should be utilized to offset member dues and other assessments and use charges, where possible.
2. Fund balance spend-down should be used to advance strategic efficiency investments that will result in short- or long-term reductions in operating costs.
3. Fund balance spend-down should be used to bolster the Client Security Fund, where possible.

Currently, the Legal Specialization Program reserve contains approximately \$5.4 million, and it is projected to reach approximately \$6.4 million by year's end. The program for certifying legal specialists is a special fund/separate fund program fully funded through fees taken in by the program. (See Cal. Rules of Court, Rule 9.35(e).) It does not have access to general funds of any kind, and the program pays indirect costs for State Bar services such as facilities, Human Resources, General Counsel, etc. Last year's indirect costs totaled \$425,892; total revenue was \$2,574,755; and total expenses were \$1,543,151.

A number of factors combined to create the fund balance that exists today. The first issue relates to a fee increase implemented in 2011 and 2012 based on the best data available at that time. In 2010, budgeted expenses versus revenue for the legal specialization program reflected a deficit of \$800,000, which would have significantly diminished the reserve that was available at the time. The program had not raised fees in over eighteen years, although costs had continued to climb.

It was thought at the time, that, since there had not been a fee increase for many years, some certified specialists might resign from the legal specialization certification program if fees were increased. Given this concern, the California Board of Legal Specialization (CBLs) determined that it would be preferable to increase the fee significantly, with the thought being that doing so would preclude the need for any additional increases for a number of years.

While originally a two-step fee increase over a two-year period to address the deficit was recommended, ultimately, the CBLs adopted a fee level that was somewhat higher and added several new fees to reflect the costs associated with those activities.

The Board of Trustees approved the fee adjustments as proposed by the CBLs. Attachment A shows the changes in fees charged to certified specialists from 2010 to 2012. The fees have not changed since 2012. Contrary to the speculation that fee increases would result in declining membership, increases in the number of attorneys seeking specialization as well as stabilization of the rate at which existing specialists continue to participate in the program, have been realized. As a result, the program's reserve has grown significantly.

Another contributing factor to the growth of the reserve has been that certain budgeted expense items have not occurred, including a publicity campaign delayed while social media guidelines were created. Other savings associated with the increased use of technology were also achieved.

In addition, there were significant non-recurring salary savings over a three-year period as several long-term employees transferred to positions outside of the Legal Specialization Department.

Before the reserve policy was adopted by the Board of Trustees, the CBLs had already adopted as one of its goals for 2015 the need to invest the fund balance and to revisit legal specialization program fees that were being charged due to the reserve that had grown beyond expectations. Once the reserve investment has been accomplished, a revised fee schedule will be proposed to the Board of Trustees.

## **DISCUSSION**

During its March 2016 meeting, the CBLs established the following priorities for spending down the reserve and directed staff to create a plan consistent with these priorities:

Online Processing/Computer	35%
Social Media/Outreach	25%
Examination Banks/Preparation	20%
New Specialties	10%
Refund/Educational Credit	5%
Exam Fee Holiday	5%

After reviewing the recommendations proposed by staff during its June 2016 meeting, the CBLS approved a plan to invest approximately \$6 million, which would leave a compliant reserve or fund balance of approximately \$464,000, subject to the approval of the Board of Trustees. The following recommended initiatives reflect the priorities outlined in the table above, and include an additional item not originally contemplated by the CBLS in March:

1. 2017 Certified Legal Specialist Fee Holiday – \$1,666,000

The initiatives discussed by the CBLS during its meeting in March, if adopted, would not completely resolve the issue of the reserve. According to the policy adopted by the Board of Trustees, one of the primary ways to spend down a reserve should be to “offset member dues and other assessments.” Elimination of the annual legal specialist fee for one year would be consistent with the policy as well as provide benefits to all certified specialists in a neutral manner, and will accomplish the timely investment of the reserve needed to conform to State Bar policy.

2. Online Processing/Computer (Development of Admissions/Legal Specialization Case Management System) - \$1.5 million

The legal specialization program has already shown that technology can improve efficiency. Legal Specialization plans to invest in an Admissions Information Management System (AIMS), which will allow the legal specialization program to do online processing of applications, internal examination administration, and customer relationship management analysis and reporting. Note that the system is not currently scoped to offer candidates the opportunity to take the examinations online, though that option can be addressed under a separate initiative. A Request for Proposals for the new system is currently being finalized. Using recent proposals received for a new system for the State Bar’s Office of the Chief Trial Counsel, the estimated cost for a new AIMS is approximately \$1.5 million to \$2 million. The California Board of Legal Specialization recommends that the legal specialization program set aside \$500,000 for its portion, and loan the Admissions Fund \$1 million to support broader Admissions AIMS needs. Both groups would benefit from this method of financing the computer system that will help to create long-term efficiencies, increased reporting capabilities and user satisfaction. If the Board approves this approach, staff will return to the Board with loan repayment terms and conditions at its October meeting.

3. Social Media/Outreach - \$100,000

An initial capital funding is proposed to begin a social media campaign to the public and to attorneys. Social media is the most common means of communication today, and statistics show that, after personal referrals, consumers are most likely to search for an attorney online, and most attorneys manage their lives online.

There are several investments that must take place to ensure a strong foundation for digital communication. A new logo that can be used digitally must be created, and materials must be updated using this new logo.

In addition, a strategy must be created for the most common platforms, Facebook, LinkedIn, Twitter, and Instagram. A blog should also be considered as well.

Outside assistance is needed for logo creation, training of internal personnel on this new software, and architecture for the sites, as well as written and visual content.

It is recommended that a total of \$100,000 be set aside, with a portion of that sum to be used for logo and material redesign, and the remainder to be used to build and populate sites. Firms that specifically work with non-profits and government agencies have expertise in this area that can ultimately save the program money.

#### 4. Examination Banks/Preparation - \$2,222,500

The CBLS also has the opportunity to transition examination drafting and grading to paid contractors, which will increase transparency, accelerate creation of examination question banks, allow exploration of online examination and grading, and potentially provide the opportunity to increase the frequency of the specialist examination from every other year to annually or even on-demand. The proposed banks would be of sufficient size to allow a release of past questions to assist candidates in their study for the legal specialist examination; there has been an increasing demand for this information from both candidates and test preparation providers.

There are three key components proposed for these initiatives, two of which will be supported by a reserve spend down: question drafting and technical infrastructure are to be funded through the reserve, while question grading will be addressed in the program's 2017 budget. After the questions are developed, contractors would need to be retained to pre-test the questions. Finally, a tool would need to be created to maintain the questions in a secure manner, and to generate examinations as needed.

##### a. Invest in Professional Drafters to Create a Question Bank

Bar examination questions are typically written by paid drafters and graded by paid graders. When the legal specialist examination was first created, professors drafted the questions. Along the way, the process changed, and volunteer commissioners now draft the examination questions with assistance from the Director for Legal Specialization and outside consultants. The volunteer drafters have been stretched as the demands on their time as practicing attorneys have grown, creating a need for increased flexibility. In addition, because Advisory Commission terms are four years, often the expertise a member has obtained during that time is lost when his or her term ends.

Industry experts suggest that the bank for each subject should contain at least 900 multiple-choice questions and 60 essay questions. The questions are estimated to be drafted at a cost of \$100 per multiple-choice question and \$500 per essay, consistent with the fees paid for Bar Examination question drafting.

Pre-testers would be paid to review the questions, estimated at a rate of \$250 per 10 multiple-choice or 1 essay question.

b. Sample Questions as an Examination Preparation Tool

The creation of a bank of questions would allow for the release of some questions for guidance and study, much as questions are released for the bar examination. New preparation tools could be developed in the form of a booklet or a mobile application for use by busy attorneys. The details and costs could vary, but an Internet search showed an average of \$250,000 for development of a mobile application, and it can be assumed that the development would be complex here since so many specialties are involved.

5. New Specialties - \$200,000

CBLS' mission includes continually exploring and potentially expanding the range of areas of the law for specialization. It is proposed that a portion of the reserve be used to explore, propose and develop up to two new specialties, and that \$50,000 be set aside for that purpose. A CBLS working committee would be established to advance this goal, and would consult with consumer protection groups, interested attorneys and State Bar Sections to develop proposals for CBLS consideration. If the CBLS approves the proposal for a new area of specialization, it would then be submitted to the Board of Trustees for approval. The process as contemplated would allow for five meetings per specialty, including public meetings to gain feedback and propose the requirements for the specialty.

It is also proposed that an additional \$150,000 be set aside to draft initial questions to allow the specialties to begin and to grow. Additional questions can be added as the individual certified specialties as they continue to gain members.

6. Exam Fee Holiday [Reduction] - \$318,000

In lieu of a total fee waiver for the October 2017 administration of the Legal Specialization Examination, it is proposed that the examination fee(s) be reduced and the laptop fee be waived. Applicants pay an examination application fee depending upon the time that they apply to take the examination, and the fee rises as the examination day approaches. Currently, the examination fees range from \$350 to \$750, plus a surcharge for the laptop option. It is proposed that the fee be lowered on a one-time basis to \$100 for applicants applying by April 30, 2017 to take the October 2017 examination, \$250 if applying by August 31, and \$350 if applying by October 1, the final registration deadline. Attachment B shows the proposed one-time examination fee reduction for the 2017 Legal Specialist Examination. If the laptop fee is waived on a one-time basis for the October 2017 examination, the program will forego approximately \$122,400 in revenue, but will still have the associated software licensing, electrical cabling, and printing costs associated with offering the laptop option. Examination fees were \$418,000 in 2015. It is expected that revenues would be approximately \$100,000 under this one-time fee adjustment, requiring an investment of approximately \$318,000 from the reserve. This is proposed to be a one-time cost.

## **FISCAL/PERSONNEL IMPACT**

The amounts associated with spending down the reserve are as follows:

1. 2017 Certified Legal Specialist Fee Holiday	\$1,666,000
2. Online Processing/Computer	\$1,500,000
3. Social Media/Outreach	\$ 100,000
4. Examination Banks/Preparation	\$2,222,500
5. New Specialties	\$ 200,000
6. Exam Fee Holiday [Reduction]	<u>\$ 318,000</u>
Total Investment	\$6,006,500

This investment of just over \$6 million will result in a reserve of \$464,931, which is above the minimum and below the maximum required by the State Bar's reserve policy.

## **RULE AMENDMENTS**

None.

## **BOARD BOOK IMPACT**

None.

## **BOARD GOALS & OBJECTIVES**

1. Ensure a timely, fair, and appropriately resources discipline and regulatory system

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- g. Complete full implementation of the Auditor's 2015 recommendations.

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- i. Design and implement a program of preventative education.

3. Improve fiscal and operational management, emphasizing integrity, transparency, and accountability.

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- d. Reallocate funds to reflect expenditure review, new reserve policy, and other reengineering efforts.

## **BOARD RECOMMENDATIONS**

Should the Board of Trustees agree with the proposal recommended by the California Board of Legal Specialization, the following resolution would be appropriate:

**RESOLVED**, that the Board of Trustees approves and adopts the California Board of Legal Specialization's proposal relating to spending down the Legal Specialization Fund reserve.

**RESOLVED**, that the Board of Trustees approves the Legal Specialization Fee Charges and Deadlines be revised in the form attached hereto for 2017.

## **ATTACHMENT(S) LIST**

- A.** Table of fees charged to certified specialists from 2010-2012
- B.** Redlined Version of Proposed Legal Specialization Schedule of Charges and Deadlines
- C.** Final Version of Proposed Legal Specialization Schedule of Charges and Deadlines



## Admissions

The Office of Admissions is responsible for all activities pertaining to the admission of attorneys to the practice of law in the State of California. Its principal activities include developing, administering and grading the Bar Examination and the First-Year Law Students' Examination, as well as conducting moral character investigations. The Office also carries out the Committee of Bar Examiners' responsibility to accredit and register law schools. Finally, Admissions administers programs to allow non-members to practice in certain defined, limited areas, as well as programs to certify specialists in areas of legal practice.

	<u>Revenue</u>
<b>FUNDING SOURCE</b>	<b>2017*</b>
Admissions Fund	21,956
Legal Specialization Fund	430
<b>TOTAL REVENUE (All Funds)</b>	<b>22,386</b>

	<u>Positions</u>	<u>Expenditures</u>
<b>SUMMARY OF PROGRAM REQUIREMENTS</b>	<b>2017</b>	<b>2017*</b>
Admissions Administration	9.0	1,783
Examination Development	2.0	906
Admissions Operations and Processing	26.0	8,683
Examination Grading	7.0	2,555
Moral Character Determinations	13.0	1,616
Law School Regulation	2.0	354
Special Admissions	2.0	186
Specialization	8.0	4,610
Admissions Overhead		6,216
<b>TOTAL (All Programs)</b>	<b>69.0</b>	<b>26,909</b>

## PROGRAM DESCRIPTIONS

### Admissions Administration

Staff in this area provides general oversight and management of the Office of Admissions, which carries out the functions delegated to the Committee of Bar Examiners by statute. The responsibilities of this area include: developing and implementing policies and procedures; supporting the activities of the Committee of Bar Examiners, Board of Trustees and its Committee on Admissions and Education; compiling and monitoring the departmental budget; interacting with law schools and communicating with applicants and the public; and monitoring and implementing IT projects for the office.

### Examination Development

Staff in this area is responsible for the acquisition, development, editing and production of examination questions. This area also processes petitions and determines reasonable testing accommodations for applicants with disabilities, and coordinates the production of Admission certificates for new admits.

### Admissions Operations

Staff in this area is responsible for the receipt and processing of applications for registration, the First-Year Law Students' Examination, the California Bar Examination, moral character determinations, moral character determination extension, multi-jurisdictional practice program, Foreign Legal Consultant program, determining the eligibility of applicants to take the examinations and administering examinations on behalf of Committee of Bar Examiners. In addition, this area is responsible for the reception and telephone services provided by the Los Angeles office.

### Examination Grading

Staff in this area is responsible for ensuring that examinations administered by the Committee of Bar Examiners are graded using the standards and protocols adopted by the Committee, and that the results provided to applicants are error free and on time.

### Moral Character Determinations

Staff in this area is responsible for completing the moral character investigations of applicants seeking admission to practice law in California and scheduling and coordinating informal conferences for applicants with the Committee of Bar Examiners' Subcommittee on Moral Character.

### Law School Regulation

Staff in this area is responsible for the registration of unaccredited law schools and the accreditation of law schools in California. The workload of the staff includes monitoring applications received, reviewing annual reports, completing law school visitations and reporting findings and recommendations to the Committee of Bar Examiners.

### Special Admissions

Staff in this area process applications for the Pro Hac Vice and Out-of-State Attorney Arbitration Counsel, which allow attorneys from other jurisdictions to practice law in California in limited ways. Staff also process applications from law students who wish to enhance their legal training by participating in the Practical Training of Law Students Program.

### Specialization

Staff in this area support the work of the Legal Specialization department, which is responsible for administering the requirements for certification in 11 different areas of law. In addition, staff coordinate the administration of the legal specialization examinations that are administered every other year. For 2017, the spend down will be implemented.

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	Positions		Expenditures
EXPENDITURES BY CATEGORY	2017		2017*
Regular Salary & Benefits	69.0		7,587
Supplemental Staffing			375
Travel & Training			606
Supplies and Postage			398
Professional Services			2,985
Exam & Software Licensing			1,627
Exam Room Rental			1,771
Exam Proctors			1,501
Exam Graders			825
Occupancy			175
Telecommunications			97
Other Outside Services			2,169
Computers & Software			535
Buildings & Equipment			24
Retiree Medical Funding			125
Other Expenditures			19
Indirect Costs			5,090
Interfund Transfers			1,000
<b>TOTAL</b>	<b>69.0</b>	<b>69.0</b>	<b>26,909</b>

## Chief Trial Counsel

The Office of Chief Trial Counsel (OCTC) is the prosecutorial arm of the State Bar, responsible for investigating and prosecuting attorneys for violations of the Rules of Professional Conduct and State Bar Act. In addition to its core attorney regulatory function, OCTC is responsible for regulatory proceedings before the State Bar Court, such as representing the Committee of Bar Examiners in moral character appeals to the State Bar Court and representing the Board of Legal Specialization in specialization certification appeals to the State Bar Court. OCTC is also responsible for ancillary proceedings such as superior court proceedings involving the assumption of a law practice and conducting certain investigations of non-attorneys who may be engaging in the unauthorized practice of law.

OCTC has an Intake Unit responsible for receiving and initiating new cases involving attorney violations of ethical rules and complaints against non-attorneys alleging the unauthorized practice of law. The Intake Unit conducts the initial review of complaints and determines whether the matters should be forwarded to OCTC's Enforcement Unit for further action.

OCTC's Enforcement Unit handles the investigation and prosecution of matters before the State Bar Court and superior court proceedings involving the assumption of a law practice.

OCTC is staffed with executive, attorney and non-attorney staff. Non-attorney staff includes investigators, paralegals, complaint analysts, administrative assistants, secretaries, record coordinators and clerks.

		Revenue
FUNDING SOURCE		2017*
General Fund		61
<b>TOTAL REVENUE (All Funds)</b>		<b>61</b>

  

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Chief Trial Counsel	247.1	45,140
Rule 2201 Conflict Cases	0.3	178
<b>TOTAL (All Programs)</b>	<b>247.4</b>	<b>45,318</b>

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	247.4	33,153
Supplemental Staffing		300
Travel & Training		142
Supplies and Postage		331
Professional Services		195
Telecommunications		150
Other Outside Services		241
Other Expenditures		9
Indirect Costs		11,797
Reimbursements		-1,000
<b>TOTAL</b>	<b>247.4</b>	<b>45,318</b>

## Probation

The Office of Probation (OP) monitors disciplined attorneys who have been ordered to comply with probation or reprobation conditions pursuant to orders issued by the California Supreme Court and/or the State Bar Court. Once these orders or agreements become effective, the OP establishes its own case files to maintain a record of compliance or non-compliance for each attorney.

OP staff monitor participating attorneys' compliance. The monitoring requires OP staff to contact the attorney being monitored and third parties such as former clients, service providers, and other departments of the State Bar. OP staff provides timely information to the attorney, Office of Chief Trial Counsel, and State Bar Court regarding non-compliance and are available to testify regarding such under oath in court.

	Positions			Expenditures	
SUMMARY OF PROGRAM REQUIREMENTS	2017			2017*	
Probation	7.0	7.0	7.0	34	1,124
<b>TOTAL (All Programs)</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>		<b>1,124</b>

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	7.0	731
Travel & Training		1
Supplies and Postage		10
Telecommunications		6
Indirect Costs		376
<b>TOTAL</b>	<b>7.0</b>	<b>1,124</b>



## Client Security Fund

The main purpose of the Client Security Fund (CSF) is to reimburse victims of attorney theft by processing, investigating, reviewing and administering the legal decisions made on applications for reimbursement. There are four main areas that encompass the work of CSF: (a) legal case processing; (b) support for the CSF Commission, the Board of Trustees and other State Bar departments; (c) financial management; and (d) basic internal administrative functions.

	<b>Revenue</b>	
<b>FUNDING SOURCE</b>	<b>2017*</b>	
Client Security Fund	8,034	
<b>TOTAL REVENUE (All Funds)</b>	<b>8,034</b>	

  

	<b>Positions</b>	<b>Expenditures</b>
<b>SUMMARY OF PROGRAM REQUIREMENTS</b>	<b>2017</b>	<b>2017*</b>
Client Security Fund	8.0	6,620
Indirect Cost		572
<b>TOTAL (All Programs)</b>	<b>8.0</b>	<b>7,192</b>

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	8.0	1,250
Travel & Training		13
Supplies and Postage		18
Telecommunications		10
Other Outside Services		17
CSF Payments		6,000
Computers & Software		1
Retiree Medical Funding		21
Other Expenditures		-149
Indirect Costs		551
Reimbursements		-540
<b>TOTAL</b>	<b>8.0</b>	<b>7,192</b>

## Mandatory Fee Arbitration

The Mandatory Fee Arbitration program provides arbitration in cases of attorney-client disputes over legal fees, primarily through local bar associations. The program also assists clients in enforcing those awards where an attorney has been ordered to return unearned fees to the client, but fails to do so.

		Revenue
FUNDING SOURCE		2017*
General Fund		44
<b>TOTAL REVENUE (All Funds)</b>		<b>44</b>
		Expenditures
SUMMARY OF PROGRAM REQUIREMENTS		2017*
Mandatory Fee Arbitration		823
<b>TOTAL (All Programs)</b>		<b>823</b>

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	4.5	523
Travel & Training		29
Supplies and Postage		10
Professional Services		1
Telecommunications		4
Other Outside Services		57
Other Expenditures		1
Indirect Costs		198
<b>TOTAL</b>	<b>4.5</b>	<b>823</b>

## State Bar Court

The California State Bar is the only state bar in the United States with independent professional judges dedicated to ruling on attorney disciplinary and regulatory cases. The independent State Bar Court hears the charges and has the power to recommend that the California Supreme Court suspend or disbar those attorneys found to have committed acts of professional misconduct or convicted of serious crimes. For lesser offenses, public or private reprimands may be issued.

	<b>Revenue</b>	
<b>FUNDING SOURCE</b>	<b>2017*</b>	
General Fund	27	
<b>TOTAL REVENUE (All Funds)</b>	<b>27</b>	

  

	<b>Positions</b>	<b>Expenditures</b>
<b>SUMMARY OF PROGRAM REQUIREMENTS</b>	<b>2017</b>	<b>2017*</b>
Administration	3.9	975
Hearing Department & Effectuations Unit	30.0	7,776
Review Department	9.0	2,757
<b>TOTAL (All Programs)</b>	<b>42.9</b>	<b>11,508</b>

## PROGRAM DESCRIPTIONS

### Administration

Administration encompasses the day-to-day administration of the State Bar Court, as well as the State Bar Court Reporter.

### Hearing Department

The Hearing Department of the State Bar Court hears disciplinary cases brought by the Office of the Chief Trial Counsel, regulatory matters brought by petitioners, motions for modification and revocation of attorney probation and other matters.

### Review Department

The Review Department of the State Bar Court decides cases on appeal, exercises suspension and other powers delegated pursuant to Rule 9.10, California Rules of Court, and conducts interlocutory review on issues materially affecting the outcome of Hearing Department cases.

### Effectuations Unit

The Effectuations Unit of the State Bar Court transmits cases to the California Supreme Court and processes all other cases not requiring Supreme Court action.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	42.9	7,185
Travel & Training		116
Supplies and Postage		108
Telecommunications		64
Other Outside Services		33
Other Expenditures		1
Indirect Costs		4,001
<b>TOTAL</b>	<b>42.9</b>	<b>11,508</b>

## Member Records & Compliance

The State Bar of California's Office of Member Records and Compliance maintains, on behalf of the Supreme Court, the official "Roll of Attorneys," i.e., the list of all attorneys who are licensed to practice law in the State of California. Upon admission to the practice of law in California, an attorney becomes a "member" of the State Bar. That official "membership" or licensing record is public information.

The Office also manages the registration of law corporations and of LLPs providing legal services, and is responsible for ensuring the compliance of all bar members with the requirements for mandatory continuing legal education (MCLE). Member Records and Compliance staff is responsible for answering all calls and emails to the Member Services Center, and is dedicated to efficiently providing reliable information to State Bar members and the broader public.

For 2017, Member Records and Compliance has assumed responsibility for MCLE Provider Certification.

		Revenue
FUNDING SOURCE		2017*
General Fund		1,102
<b>TOTAL REVENUE (All Funds)</b>		<b>1,102</b>

  

		Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS		2017	2017*
Member Service Center		26.0	4,433
<b>TOTAL (All Programs)</b>		<b>26.0</b>	<b>4,433</b>



	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	26.0	2,596
Supplemental Staffing		165
Travel & Training		10
Supplies and Postage		177
Professional Services		88
Telecommunications		22
Other Outside Services		121
Buildings & Equipment		1
Other Expenditures		11
Indirect Costs		1,242
<b>TOTAL</b>	<b>26.0</b>	<b>4,433</b>

## Professional Competence

The Office of Professional Competence administers the State Bar's attorney professional responsibility programs and resources. These activities assist practicing attorneys in complying with their professional duties.

	<u>Revenue</u>	
<b>FUNDING SOURCE</b>	<b>2017*</b>	
General Fund	21	
<b>TOTAL REVENUE (All Funds)</b>	<b>21</b>	

  

	<u>Positions</u>	<u>Expenditures</u>
<b>SUMMARY OF PROGRAM REQUIREMENTS</b>	<b>2017</b>	<b>2017*</b>
COPRAC & RRC		141
Outreach & Education	13.0	2,322
Publications		26
<b>TOTAL (All Programs)</b>	<b>13.0</b>	<b>2,489</b>

## PROGRAM DESCRIPTIONS

### Ethics Hotline

The Ethics Hotline is a confidential legal research service that helps lawyers identify and analyze professional responsibility issues. Although legal advice is not provided, lawyers receive research assistance that helps them make informed decisions on issues such as: conflicts of interest; fee arrangements; advertising; and ex parte communications. Among the types of information provided are references to: Rules of Professional Conduct; State Bar Act sections; Rules of Court; bar committee advisory ethics opinions; and case law citations, including published opinions of the State Bar Court.

### Board of Trustees, Ethics Opinion Committee (COPRAC), and Rules Revision Commission (RRC) Support

As needed, Professional Competence staff provides a full range of staffing support to the Board of Trustees for issues related to attorney professional responsibility. On an ongoing basis, staffing support also is provided to the Standing Committee on Professional Responsibility and Conduct (COPRAC), the State Bar Rules Revision Commission (RRC), and other special task forces and committees as directed. These support services include developing meetings agendas, attending meetings, distributing assignments, making logistical arrangements for meetings, completing legal research and writing, maintaining records of all official materials, assisting in the appointment process for members, implementing approved work product (such as distributing ethics opinions and submitting proposed amended Rules of Professional Conduct to the Supreme Court for approval, etc.), serving as liaison between groups and others, both inside and outside, the State Bar, tracking staff and volunteer meeting expenditures, facilitating policy input and legal advice, and preparing annual committee accomplishment reports.

### Outreach & Education

Professional Competence staff participates in, and coordinates, outreach and educational activities that enhance attorney awareness of issues in professional conduct, including recent developments. This education and outreach also disseminates information on State Bar resources that facilitate compliance with the Rules of Professional Conduct and the State Bar Act. This helps to protect the public from violations, such as inadvertent violations of the Board of Trustees' client trust account recordkeeping standards. Professional Competence's outreach and educational activities include: preparing and presenting the State Bar's Annual Ethics Symposium; providing educational programs for MCLE credit at the State Bar Annual Meeting; preparing and making presentations to local and specialty bar associations, related legal professional associations, and law schools; making presentations and providing information to other State Bar departments; writing articles for publication in the California Bar Journal; and staffing a booth at the State Bar Annual Meeting exhibit hall. To complete delivery of these educational and outreach services, Professional Competence staff identify speakers, compile written materials, complete legal research, prepare and update slide presentations, attend programs, arrange for program publicity, produce materials, make speaker travel and other logistical arrangements, update mailing lists, and solicit and review feedback about the quality of educational programs and presentations.

### Publications

Professional Competence staff produce, update and distribute publications related to attorney professional responsibility including: The California Compendium on Professional Responsibility; The Handbook on Client Trust Accounting for California Attorneys; and Publication 250 - The California Rules of Professional Conduct, The State Bar Act, and Related Statutes. The latter book also is offered as an e-Book for any device compatible with the Amazon.com Kindle reader application. Staff's publication work includes extensive online professional responsibility resources on topics such as: ethics and technology; judicial ethics; civility and professionalism; and senior lawyer resources. These online resources are continually updated by Professional Competence staff.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	13.0	1,596
Travel & Training		65
Supplies and Postage		28
Professional Services		50
Occupancy		6
Telecommunications		21
Other Outside Services		19
Buildings & Equipment		1
Other Expenditures		2
Indirect Costs		701
<b>TOTAL</b>	<b>13.0</b>	<b>2,489</b>

## Education

The Office of Education provides opportunities for continuing legal education and professional development. It encompasses the Sections of the State Bar as and the California Solo & Small Firm Summit.

	<u>Revenue</u>	
<b>FUNDING SOURCE</b>	<b>2017*</b>	
Sections Funds	9,014	
Legal Education and Development Fund	2,154	
<b>TOTAL REVENUE (All Funds)</b>	<b>11,168</b>	

  

	<u>Positions</u>	<u>Expenditures</u>
<b>SUMMARY OF PROGRAM REQUIREMENTS</b>	<b>2017</b>	<b>2017*</b>
Sections	18.0	8,577
Indirect Cost		75
<b>TOTAL (All Programs)</b>	<b>18</b>	<b>8,679</b>

## PROGRAM DESCRIPTIONS

### Sections

The Sections are voluntary organizations of attorneys and associates who share an area of interest. The Sections help their members maintain expertise in their various fields of law, expand their professional contacts, and serve the profession, the public and the legal system. The State Bar of California has 16 Sections. Each Section is governed by an executive committee of members appointed by the State Bar Board of Trustees.

### California Solo & Small Firm Summit

The Summit content is geared to California attorneys who are in a solo or small firm practice and offers a wide variety of education and networking opportunities for solo practitioners.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	18.0	2,267
Supplemental Staffing		89
Travel & Training		2,623
Supplies and Postage		408
Professional Services		411
Occupancy		10
Telecommunications		75
Other Outside Services		1,181
Buildings & Equipment		4
Retiree Medical Funding		42
Other Expenditures		224
Indirect Costs		1,586
<b>TOTAL</b>	<b>18.0</b>	<b>8,920</b>

## Legal Services

The Office of Legal Services operates several programs intended to ensure that all Californians have appropriate access to the legal system, regardless of income.

FUNDING SOURCE	Revenue		
	2017*		
Equal Access Fund			19,653
General Fund			60
Grants Fund			6
Justice Gap Fund			602
Legal Services Trust Fund			14,583
<b>TOTAL REVENUE (All Funds)</b>			<b>34,904</b>

  

SUMMARY OF PROGRAM REQUIREMENTS	Positions			Expenditures	
	2017			2017*	
Access To Justice					20
Program Development		8.5	5		1,661
Legal Services Funding		11.5			39,118
Elimination of Bias		1.0	1.0		253
Indirect Cost					3,061
<b>TOTAL (All Programs)</b>		<b>21.0</b>	<b>21.0</b>		<b>44,113</b>

## PROGRAM DESCRIPTIONS

### Access To Justice

This area addresses the development of policy and initiatives in collaboration with other institutions working to expand access to justice for low income Californians (e.g. Judicial Council; legal services entities; local, state and national organizations such as the American Bar Association and National Legal Aid and Defender Association). Services are provided through the Office of Legal Services and the California Commission on Access to Justice.

### Program Development

This area supports and promotes the direct delivery of legal services to low and middle income Californians with an emphasis on increasing and enhancing pro bono participation by members of the bar. The services are provided through the Program Development Unit, the Standing Committee on the Delivery of Legal Services and a comprehensive, statewide legal services conference ("Pathways to Justice") held every three years. The Program Development Unit provides technical assistance and resources to legal services providers, pro bono programs and certified lawyer referral services, oversees the certification process for lawyer referral services, and administers the Pro Bono Practice program and Wiley Manuel pro bono certificate program. The Unit also coordinates a statewide Disaster Legal Services Response network, administers the Standing Committee on the Delivery of Legal Services, and presents the Pathways to Justice conference and other training programs for legal services and pro bono attorneys.

### Legal Services Funding

This Service Area focuses on the administration of grants generated through Interest on Lawyer Trust Accounts (IOLTA), the state Equal Access Fund, the Justice Gap Fund, and other revenue sources to fund the provision of free legal services to low income Californians. Services are provided through the Legal Services Trust Fund Program and the Legal Services Trust Fund Commission.

### Elimination of Bias

Elimination of Bias focuses on local and statewide programs and initiatives to diversify the legal profession and to eliminate bias in the practice of law. The activity in this area is funded solely through voluntary contributions to the State Bar, and is largely conducted by the Council on Access & Fairness (COAF). Staff also compiles and disseminates demographic information and other resource materials to inform and facilitate diversity efforts by the State Bar and other organizations. COAF is a State Bar appointed entity that serves as the Bar's diversity think tank to advise the Board of Trustees on strategies to enhance diversity opportunities and advancement in the legal profession along the full diversity pipeline (e.g. from pre-K to high school, community colleges to law school and the bar exam, to the legal profession and the judiciary).



	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	21.0	2,647
Travel & Training		101
Supplies and Postage		29
Professional Services		236
Occupancy		2
Telecommunications		25
Other Outside Services		7
Legal Services Grants		37,386
Computers & Software		66
Buildings & Equipment		1
Retiree Medical Funding		63
Other Expenditures		1
Indirect Costs		1,416
Interfund Transfers		2,133
<b>TOTAL</b>	<b>21.0</b>	<b>44,113</b>

## Lawyer Assistance Program

The Lawyer Assistance Program provides substance abuse and mental health support services to members of the bar and prospective members of the bar.

	Revenue			
FUNDING SOURCE	2017*			
Lawyer Assistance Program Fund	2,085			
TOTAL REVENUE (All Funds)	2,085			
	Positions		Expenditures	
SUMMARY OF PROGRAM REQUIREMENTS	2017		2017*	
Lawyer Assistance Program	7.0	7.0	2	1,152
Indirect Cost				428
TOTAL (All Programs)	7.0	7.0		1,580

## PROGRAM DESCRIPTIONS

### Orientation and Assessment

All members of the bar are eligible to receive a free professional mental health assessment by a LAP case manager without making a longer-term commitment to participate in the program. Members are also entitled to attend up to three free sessions of LAP group with obligation to continue further.

### Monitored LAP

Monitored LAP is for attorneys who want to satisfy a specific monitoring or verification requirement imposed by an employer, the Office of the Chief Trial Counsel, State Bar Court, Committee of Bar Examiners, or another entity. It is also available to attorneys seeking help independently. The program offers long-term structure and the support of a professional case manager. Attendance at LAP group meetings and lab testing are typically required as conditions of participating in Monitored LAP. There is a fee for group participation.

### Support LAP

Support LAP is for attorneys who are interested in participating in a weekly group meeting with other lawyers and would like the support of a qualified mental health professional. There is a fee for group participation.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	7.0	871
Travel & Training		74
Supplies and Postage		6
Professional Services		178
Telecommunications		16
Other Outside Services		6
Other Expenditures		1
Indirect Costs		428
<b>TOTAL</b>	<b>7.0</b>	<b>1,580</b>

## Executive Director

The Office of the Executive Director is responsible for the overall direction and administration of the day-to-day operations of the State Bar, as well as for legislative activities on behalf of the Bar. In addition, the OED is responsible for supporting the Board of Trustees and its task forces and working groups and the Judicial Nominees Evaluation (JNE) Commission.

	<b>Revenue</b>	
<b>FUNDING SOURCE</b>	<b>2017*</b>	
General Fund	15	
Legislative Activities Fund	102	
<b>TOTAL REVENUE (All Funds)</b>	<b>117</b>	

  

	<b>Positions</b>	<b>Expenditures</b>
<b>SUMMARY OF PROGRAM REQUIREMENTS</b>	<b>2017</b>	<b>2017*</b>
Management, Oversight and Planning	14.8	3,154
Board Support - Secretariat	1.0	370
Judicial Evaluations	3.0	643
Governmental Affairs	1.2	330
Indirect Cost		83
<b>TOTAL (All Programs)</b>	<b>20.0</b>	<b>4,580</b>

## PROGRAM DESCRIPTIONS

### Management, Oversight and Planning

OED, through the Chief Operating Officer's Office (COO) provides support and direction to all management within the State Bar regarding personnel administration, budget, facilities, and all other management related matters. In its management leadership role, OED staff leads the Senior Management Team in establishing and effectuating operational/programmatic oversight. OED establishes Bar-wide operating policies and procedures, communicates and reinforces those policies and procedures to all staff. OED leads the State Bar's efforts to ensure accountability for the use of resources and compliance with all mandated functions and/or requirements. OED takes the lead in working with the union to reach agreeable memoranda of understanding between the union and management. OED in collaboration with the Senior Management Team serves as the focus for problem-solving analysis and resolution Bar-wide.

### Board Support

OED provides staff support to the Board of Trustees to support its effective and efficient operation. In fulfilling the Secretariat responsibilities, OED staff sets the schedule of Board meetings, oversees production of Board agendas, travels to and attends all Board meetings, oversees production of minutes and action summaries, maintains the Board Book and all official permanent records of the State Bar, and timely processes Board member expense reports. OED staff provides expert assistance to Board members and ensures that appropriate State Bar staff timely responds to all Board member inquiries.

In addition to providing support for regular Board meetings and business, OED staff coordinates all Board appointments to commissions, committees, and special task forces, administers annual Board elections, and prepares and conducts orientations for Board candidates, Board members & Committee Chairs. OED staff ensures effective relationships are developed between Board members and State Bar staff and clearly inform board and staff about and enforce policies related to lines of authority. OED staff is responsible for ensuring that all Board directives are carried out.

### Judicial Evaluations

The Commission on Judicial Nominees Evaluation, established pursuant to Government Code Section 12011.5, is the State Bar agency which evaluates all candidates who are under consideration for a judicial appointment by the Governor. The mission of the Commission is to assist the Governor in the judicial selection process and thereby to promote a California judiciary of quality and integrity by providing independent, comprehensive, accurate, and fair evaluations of candidates for judicial appointment and nomination.

### Office of Research and Institutional Accountability (ORIA)

The Office of Research and Institutional Accountability (ORIA) reports to the Chief Operating Officer and is responsible for leading strategic initiatives to improve the overall efficiency and effectiveness of Bar operations. ORIA staff are conduct studies of Bar operations; develop and implement business process improvement plans; research and write legislatively mandated studies, and; manage projects with agency-wide implications such as the implementation of Workforce Planning recommendations submitted to the Legislature in May, 2015, and the implementation of a new Case Management System for the Office of Chief Trial Counsel (OCTC) and the State Bar Court. In 2017, ORIA will work to centralize and enhance the Bar's collection activities, which is projected to result in increased compliance with court orders and revenue to support the State Bar's discipline functions.

ORIA staff are also responsible for managing key components of State Bar data, in particular, weekly management reports for OCTC, monthly reports to the Regulation and Discipline Committee and the annual Attorney Discipline Report. In addition to serving as the lead staff to the Regulation and Discipline Committee, ORIA staffs the subcommittees of Admissions and Education Committee, the Stakeholders, Access to Justice and Appointment subcommittees of the Board of Trustees.

DRAFT

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	20.0	3,246
Supplemental Staffing		95
Travel & Training		391
Supplies and Postage		318
Professional Services		217
Occupancy		6
Telecommunications		19
Other Outside Services		29
Other Expenditures		1
Indirect Costs		258
<b>TOTAL</b>	<b>20.0</b>	<b>4,580</b>



## Finance

The Finance Department is responsible for the following areas: financial reporting, analysis and budget; the accounting functions of payroll, accounts payable, accounts receivable, and general ledger; and member billing for the State Bar.

	Positions	Expenditures
<b>SUMMARY OF PROGRAM REQUIREMENTS</b>	<b>2017</b>	<b>2017*</b>
Finance	12.0	2,365
Member Billing	3.0	1,386
<b>TOTAL (All Programs)</b>	<b>15.0</b>	<b>3,751</b>

## PROGRAM DESCRIPTIONS

### Financial Reporting, Budgeting, and Analysis

This service area is responsible for the Bar's budgeting, financial planning, financial analysis and accounting, making accurate and timely payments to the State Bar's employees (payroll) and outside vendors (accounts payable), and for implementing related procedures and internal controls. It also works closely with the Bar's outside auditors and the California Bureau of State Audits to ensure the implementation of sound financial controls and public accountability.

### Member Billing

Member billing is responsible for ensuring attorneys are billed appropriately for annual fees and other costs. The primary task for Member Billing staff is the collection and recording of annual membership fees, discipline costs, and CSF reimbursements. In addition to the primary task, staff responds to members' billing inquiries, calculates and tracks discipline and CSF cost assessments, assists in the annual suspension process, and reinstates members previously suspended for failure to pay annual fees upon payment of delinquent costs.

### Payroll

Payroll constitutes one of the most important and sensitive areas in the Office of Finance. Payroll is responsible for processing and delivering paychecks to employees. The Payroll function includes balancing, analyzing, and reconciling payroll data and depositing and reporting taxes. The Payroll process involves calculating time cards, salaries overtime, retroactive pay, severance pay, holiday pay and benefit time such as vacation, sick and personal days. Payroll also makes employee deductions for taxes, wage garnishment, health and life insurance, flexible spending accounts and retirement.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	15.0	1,849
Supplemental Staffing		146
Travel & Training		4
Supplies and Postage		78
Professional Services		420
Telecommunications		21
Other Outside Services		830
Buildings & Equipment		2
Other Expenditures		401
<b>TOTAL</b>	<b>15.0</b>	<b>3,751</b>

## General Counsel

The Office of the General Counsel (OGC) functions as the State Bar's lawyer, and is responsible for providing legal advice and counsel to the Board of Trustees, its working groups, taskforces, and committees, and all departments and programs of the State Bar.

	Positions	Expenditures
<b>SUMMARY OF PROGRAM REQUIREMENTS</b>	<b>2017</b>	<b>2017*</b>
General Counsel	24.8	4,459
<b>TOTAL (All Programs)</b>	<b>24.8</b>	<b>4,459</b>

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	24.8	4,090
Travel & Training		45
Supplies and Postage		37
Professional Services		150
Telecommunications		25
Other Outside Services		112
<b>TOTAL</b>	<b>24.8</b>	<b>4,459</b>

## Human Resources

The Human Resources Department is responsible for recruitment, classification, compensation, and performance management, labor relations, and benefits administration.

	Positions	Expenditures
<b>SUMMARY OF PROGRAM REQUIREMENTS</b>	<b>2017</b>	<b>2017*</b>
Human Resources	11.0	1,759
<b>TOTAL (All Programs)</b>	<b>11.0</b>	<b>1,759</b>

## PROGRAM DESCRIPTIONS

### Compensation Administration

The Human Resources Department plays the leading role in developing, benchmarking and administering the Bar's employee compensation structure, including its salary schedules, benefit offerings and retirement alternatives. This service area also includes day-to-day operations of the Bar's payroll and benefit programs.

### Recruitment and Retention

This service area encompasses recruiting new staff, institutional training, and administering the Bar's system of performance reviews for current employees.

### Employee Relations

Employee relations encompasses activities ranging from health and wellness promotion to collective bargaining. It includes workplace safety efforts, labor negotiations and management of the employee grievance process.

### Records and Information Systems

This service area is responsible for maintaining required employment records, processing security clearances, and operating the Bar's Human Resources Information System (HRIS).

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	11.0	1,433
Travel & Training		151
Supplies and Postage		17
Professional Services		100
Telecommunications		19
Other Outside Services		10
Computers & Software		3
Buildings & Equipment		26
<b>TOTAL</b>	<b>11.0</b>	<b>1,759</b>



## Information Technology

The Information Technology (IT) Department is responsible for the Bar's IT infrastructure (including PC's, networks, servers, and mini-computers), for custom software development, for maintenance and administration of the Bar's existing software, and for the Bar's public-facing internet presence.

	Positions	Expenditures
<b>SUMMARY OF PROGRAM REQUIREMENTS</b>	<b>2017</b>	<b>2017*</b>
IT Admin and Operations	26.0	6,543
<b>TOTAL (All Programs)</b>	<b>26.0</b>	<b>6,543</b>

**PROGRAM DESCRIPTIONS**IT Admin

Responsible for the management and oversight of the IT Department. This includes planning and organizing activities of the department, and to promote and facilitate the effective use of technology in order to improve cost effectiveness and service quality that supports the Bar's Strategic Plan and mission.

IT Applications

Responsible for providing leadership, direction and guidance for the implementation, maintenance, enhancement, improvement, and security and integrity of the State Bar's enterprise information systems.

IT Operations

Responsible for providing leadership, direction and guidance for the implementation, maintenance, support, enhancement, improvement, and security and integrity of the State Bar's enterprise infrastructure systems.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	26.0	4,100
Supplemental Staffing		250
Travel & Training		55
Supplies and Postage		17
Professional Services		178
Occupancy		120
Telecommunications		65
Computers & Software		1,698
Buildings & Equipment		60
<b>TOTAL</b>	<b>26.0</b>	<b>6,543</b>

## Strategic Communications and Stakeholder Engagement

The State Bar's Office of Communications and Stakeholder Engagement is responsible for ensuring that the general public and the legal community are informed about the agency's public protection role and know how to access the Bar's services and resources. The office is tasked with conveying critical information to Californians about how to protect themselves from attorney misconduct and what to do if that happens, including by filing complaints against attorneys or seeking compensation for harm through the Client Security Fund. In addition, the Office is responsible for maintaining a connection with voluntary bars throughout the state. Activity related to this latter function is funded solely through voluntary contributions to the State Bar.

	Positions		Expenditures	
<b>SUMMARY OF PROGRAM REQUIREMENTS</b>	<b>2017</b>		<b>2017*</b>	
Communications	4	4.7	118	1,118
Bar Relations	1.5	1.5	8	138
<b>TOTAL (All Programs)</b>	<b>5.5</b>	<b>6.2</b>	<b>126</b>	<b>1,256</b>

## PROGRAM DESCRIPTIONS

### Media Relations

Communications is the State Bar's principal day-to-day liaison with the news media. Media Relations staff are responsible for fielding inbound inquiries from the press and electronic media and for actively communicating the Bar's message via press releases and other means. Media Relations also provides support and training for other Bar staff who may have contact with the press.

### Public Education

Staff develop and update consumer education pamphlets, brochures and guides. These public education materials are initially researched and written by staff whose work is then reviewed by attorneys for completeness and accuracy. Staff designs, lays out, edits, and oversees the translation of the final materials in multiple languages. Staff coordinates printing and contracts for storage and fulfillment. In addition, staff also organizes and attends public education forums throughout the state and helps to market those forums to encourage attorney participation and public attendance.

### Social Media

Staff maintains the Bar's official social media accounts and assist the Bar in developing best practices and policies for its use.

### Website

The website is the State Bar's primary communications channel with attorneys and the public. In overseeing the content, staff works to ensure the information is accessible and assists the public in finding the information they are looking for.

### Bar Relations

Bar Relations focuses on supporting the work of the 280 local, minority, specialty and women's voluntary bar associations in California. In addition to working with California bar associations, the Bar Relations team serves as liaison to external organizations including the American Bar Association, National Association of Bar Executives, National Conference of Bar Presidents, Executives of California Legal Associations as well as individual state and local bar associations throughout the country. Bar Relations conducts annual leadership training for bar leaders and executive directors. Bar Relations maintains a clearinghouse of program and governance information which is drawn upon to assist organizations within the state. Activity in conjunction with voluntary bar associations is funded solely through voluntary contributions to the State Bar.

This program is expected to phase out after the first quarter of 2017.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	6.2	878
Travel & Training		3
Supplies and Postage		8
Professional Services		58
Telecommunications		3
Other Outside Services		32
Indirect Costs		274
<b>TOTAL</b>	<b>6.2</b>	<b>1,256</b>

## General Services

The Office of General Services provides a comprehensive range of administrative and facilities services that support the work of all State Bar departments.

			Revenue
FUNDING SOURCE			2017*
Building Fund			1,351
SF Tenant Improvement Fund			50
<b>TOTAL REVENUE (All Funds)</b>			<b>1,401</b>

  

		Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS		2017	2017*
General Services	22.0	22.0	8,473
<b>TOTAL (All Programs)</b>	<b>22.0</b>	<b>22.0</b>	<b>8,473</b>

## PROGRAM DESCRIPTIONS

The Office of General Services provides a comprehensive range of administrative and facilities services that support the work of all State Bar departments. General Services is divided into the following three service areas:

### Administrative Services

As the organization's administrative support arm, the Office of General Services manages mail and courier services; reception and public inquiry; document imaging and printing; fax and copier support; meeting and conference support; and travel services.

### Facilities Management

The Office of General Services manages over 350,000 square feet of office space for Bar staff and tenants. It maintains the Bar's facilities and safeguards its physical assets by managing engineering and janitorial services; landlord/tenant relations; space planning and use; construction; safety and security programs; parking; and recycling programs.

### Procurement

The Office of General Services facilitates the State Bar's purchasing and contracting process, including compliance with mandated competitive bidding requirements and contract control procedures. It manages the purchase order process, contract administration and credit card program, and audits spending and travel for policy compliance.



	Positions		Expenditures	
EXPENDITURES BY CATEGORY	2017		2017*	
Regular Salary & Benefits	22.0		2,291	
Supplemental Staffing			2	
Travel & Training			27	
Supplies and Postage			26	
Professional Services			349	
Occupancy			4,544	
Telecommunications			54	
Other Outside Services			769	
Computers & Software			5	
Buildings & Equipment			36	
Other Expenditures			-30	
Debt Service			400	
<b>TOTAL</b>	<b>22.0</b>	<b>22.0</b>	<b>73</b>	<b>8,473</b>

## Technology Projects

This category includes telecommunications and IT infrastructure upgrades as well as upgrades to and replacement of software applications. For 2017, the Technology Project Budget will be used for the CMS Project.

				<u>Revenue</u>
<b>FUNDING SOURCE</b>				<b>2017*</b>
Technology Fund				400
<b>TOTAL REVENUE (All Funds)</b>				<b>400</b>

  

		<u>Positions</u>	<u>Expenditures</u>
<b>SUMMARY OF PROGRAM REQUIREMENTS</b>		<b>2017</b>	<b>2017*</b>
Technology Projects	10.0	10.0	4,283
Indirect Cost			769
<b>TOTAL (All Programs)</b>	<b>10.0</b>	<b>10.0</b>	<b>5,052</b>

## PROGRAM DESCRIPTIONS

### Enterprise Technology Projects

#### **Discipline Case Management System (CMS) for the Office of the Chief Trial Counsel, State Bar Court, and Probation**

The CMS project will improve the level of automation, functionality, and end-to-end integration between OCTC, SBC, and Probation. The CMS integrated solution also reduces operational costs and complexity by reducing the number of disparate applications (e.g. a different DMS system) and tools needed for the lifecycle processes of the discipline system.

#### **Website Redesign**

Website redesign will facilitate modern and enhanced content delivery – including facilitating views on mobile/smart devices, easy navigation and searches, and supports the Bar's web communication strategy for its users.

### Operational Technology Projects

#### **KOALA Billing Application Rewrite**

The current billing system was custom developed using a proprietary product called ASNA Visual RPG and is used by Finance to process various member fees payments. KOALA will be re-written to a Microsoft .NET web platform that can be better supported by in-house developers.

#### **Credit Card Consolidation Services**

The State Bar currently uses Wells Fargo Merchant Services, Authorize.Net and U.S. Bank to process credit cards. IT will oversee the consolidation to one credit card processor this year.

#### **IT Security Assessment (Infrastructure)**

IT will conduct a security assessment to include internal and external vulnerability assessments, IT controls review and security architecture assessment, policy procedure and gap analysis, wireless and phone systems.

#### **SF Courtroom AV**

Web and video conferencing capability will be added to the SF courtrooms.

#### **SF Boardroom AV**

This project is to replace end-of-life and failing AV equipment in the SF 4th floor conference rooms.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	10.0	1,633
Computers & Software		2,650
Indirect Costs		769
<b>TOTAL</b>	<b>10.0</b>	<b>5,052</b>

## Facilities Projects

This category includes capital improvement projects at the State Bar's headquarters at 180 Howard Street in San Francisco and its southern California office at 845 South Figueroa Street in Los Angeles. Capital improvement projects are undertaken, when necessary, to preserve these major physical assets and ensure that the buildings function efficiently and safely. Capital improvement projects are managed by the Office of General Services.

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**PROGRAM DESCRIPTIONS**Facilities Projects at 180 Howard Street, San Francisco

The Bar is progressing through a multi-year capital improvement plan for 180 Howard Street, focused primarily on upgrades to the building's Heating, Ventilation & Air Conditioning system and Fire/Life Safety Systems. These upgrades are required due to normal aging, wear and tear and technical obsolescence of existing equipment. The Bar is also renovating vacant floors in preparation for leasing to third party tenants.

Facilities Projects at 845 South Figueroa Street, Los Angeles

At this time there are no additional capital improvement projects scheduled at 845 South Figueroa Street.

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